

BUDGET, FINANCE & INVESTMENT COMMITTEE

April 5, 2012

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
John Bratcher
Heather Dawbarn
Laura Bohling
Sheriff Robert Arnold
Lisa Nolen
Melissa Stinson

Others Present:

Joe Russell
Joe Gourley
Del Corbitt
Nancy Loyd
Sonya Stephenson
Jeff Sandvig
Elaine Short

Chairman Ealy presided and called the meeting to order with all members being present.

APPROVE MINUTES:

The minutes of the March 8 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Jordan to approve the minutes as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Chairman Ealy presented the monthly Investment Report for the use and information of the committee advising that there were no investment bids during the month. The LGIP interest rate for the month was the same as the past several months.

Comm. Jordan moved, seconded by Comm. Peay to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the Fund Condition Report for the month ending March, 2012 for the use and information of the committee advising that the Development Tax collections for the month totaled \$145,500. The year-to-date collections totaled \$1,011,750. This compared to the same month last year when the March 2012 Development Tax collections were \$82,500, and the year-to-date collections were \$654,750.

The committee reviewed the fund cash balances, which totaled \$232,120,366 with operating funds being \$184,500,884 and borrowed funds being \$47,619,482. This compared to the same month last year when the total fund cash balances were \$186,247,014 with operating funds being \$183,116,734 and borrowed funds being \$3,130,280.

The Finance Director requested approval to transfer the \$662.64 balance in the Whitworth-Buchanan Middle School Project to the Eagleville Addition Project and to transfer the \$72.21 balance in the Agriculture Extension Center Project to the General Fund to be accounted for in Account 101-34640 - -AGRI, Committed for Agriculture and Natural Resources.

Comm. Jernigan moved, seconded by Comm. Baum to approve the request to transfer the \$662.64 balance in the Whitworth-Buchanan Middle School Project to the Eagleville Addition Project and to transfer the \$72.21 balance in the Agriculture Extension Center Project to the General Fund to be accounted for in Account 101-34640 - - AGRI, Committed for Agriculture and Natural Resources; and to approve the Fund Condition Report as presented.

The motion passed unanimously by acclamation.

RISK MANAGEMENT FINANCIAL REPORT:

Mrs. Melissa Stinson, Risk Management Director, presented the monthly Insurance Financial Reports for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision plan was \$664.77 per month compared to \$594.73 for the same month last year. When including the on-site clinics, the monthly cost per employee was \$698.80 compared to \$624.94 for the same month last year for a prior year-to-date average of \$726.99 or a 14.8% increase over last year.

The committee reviewed the Work Injury Fund with year-to-date claims of \$833,457.70 compared to \$721,156.60 for the same period last year. This reflected an increase of 1.16% over last year. She advised that currently there were 20 open workers' compensation claims.

Following review, Comm. Jordan moved, seconded by Comm. Sandlin to approve the monthly Insurance Financial Report as presented.

The motion passed unanimously by acclamation.

NEW 2013 DENTAL OPTION:

Mrs. Stinson advised that the Insurance Committee had recommended implementing a new dental option to be effective January, 2013. She explained that the county would continue to offer option one and option two for dental insurance, and that a buy-up option was being proposed, which would mirror the benefits under the current option one dental program. The new dental option would have a ten percent premium increase above 2012 option one dental rates. The current plan includes an orthodontia benefit of \$1,000, but the new dental plan will include an orthodontia benefit of \$2,500. With the number of families who have small children within the county's population, the Insurance Committee believed this would be a good benefit to offer. In the event someone who is currently enrolled in the dental program has used a portion or all of the \$1,000 orthodontia benefit, there would be an offset in the new plan.

Following review, Comm. Shafer moved, seconded by Comm. Jernigan to approve implementing a new buy-up dental option for 2013 with the premium to be a 10% increase above the 2012 option one dental premium rate and to include a \$2,500 orthodontia benefit.

The motion passed unanimously by roll call vote.

NEW 2013 CO-PAY MEDICAL OPTION:

Mrs. Stinson reminded the committee that effective with the 2013 open enrollment, the medical Option One would no longer be available. She explained that the Insurance Committee was recommending replacing the medical Option One with a Co-Pay Medical Option. The Co-Pay Option would replace all areas where Option One currently existed for both active and retirees. She explained that the Co-Pay Medical Option was derived after considering the current plans in existence – the deductible plan and the HRA plan, and feedback from employees. She stated that she also looked at what the state offered, and discovered that the state also offered its employees a co-pay option.

Mrs. Stinson explained that the co-pay plan would be beneficial for those employees who wanted to limit their out-of-pocket costs such as employees who use primary care services, special needs services, and who might have a tight budget.

Under the co-pay medical plan, there would still be a \$750 deductible, but if an individual went to a primary care doctor, they would pay a \$30 co-pay, and that would be all that they would pay. The deductible would not have to be met first. If an individual went to a specialist, they would pay \$50, and that would be all that they would owe. If an individual was hospitalized, they would have to meet the \$750 deductible, and the benefits would pay at 80% after the deductible for in-network. The co-pay that is incurred at the time the doctor or specialist is seen does not accumulate toward the deductible. Mrs. Stinson advised that this option would give employees

another offering that was very distinct from the other two options, and it would be a good tool for employees who might live from paycheck to paycheck.

Comm. Shafer asked why the employees would not go to Med-Point instead of going to a primary care physician.

Mrs. Stinson advised that availability of an appointment would be one reason, and another reason would be that the on-site clinics only treat certain conditions, and after that point the individuals are referred to someone else.

Mrs. Stinson explained that the trade-off of the co-pay plan would be that the premium would be lower than the deductible plan. She stated that it would be a cost-share. She stated that what was really attractive in terms of longevity was that a \$5 adjustment to the office visit co-pay could be implemented to offset a premium increase.

Mrs. Stinson stated that under the current deductible scenario, the rates were locked in, because it was an 80%/20% plan. Benefits have to be removed in order to offset any premium increase.

Mrs. Stinson advised that by implementing the co-pay plan, it would be easier to unilaterally control premiums and still have a rich plan for the employees.

Following discussion, Comm. Shafer moved, seconded by Comm. Sandlin to implement a co-pay medical option effective with the 2013 open enrollment.

The motion passed unanimously by roll call vote.

2013 MEDICAL AND DENTAL RATES:

Mrs. Stinson provided a copy of the 2011 revenue versus expense comparison for the medical plan, which reflected that the revenue exceeded the expenses by \$299,400. She explained that there had not been a rate increase for the medical insurance for the past few years with the exception of option one. She also reminded the committee that for the past three years, the commission had been working on GASB to try to fund future liabilities for the retirees. She stated that currently the ARC was \$1.1 million monthly, and that only \$299,400 was funded toward the ARC for the entire year in 2011.

Mrs. Stinson next provided a copy of the recommended medical premium rate increases for 2013. She explained that if option one was not being removed from the offering, the necessary premium increase would have been 94.5%. For purposes of the necessary rate action, it was assumed that all of the enrollees on option one would roll into option two. Option Two would require a necessary rate increase of 28%. Option Three was currently being overfunded. Option One for under 65 retirees would have required an increase of 43%. Option Two for the under 65 retirees would require a necessary rate increase of 122%. The over 65 retirees would require a necessary premium increase of 11%.

Mrs. Stinson advised that it was the recommendation of the Insurance Committee to increase the premium rates for active employees Option Two and Under 65 Retirees Option Two by 20%, reduce the county contribution rate for active employees Option Three by 15%, and increase the premium rate for Over 65 Retirees by 10%. A 2% premium increase was recommended for the dental plan. She stated with the recommended increases, the OPEB liability would still not be adequately funded next year. For Option Two for active employees, it would take an increase of more than 28% to pay the claims and have money to go toward the ARC.

Mrs. Stinson advised that it was also the recommendation of the Insurance Committee that the county's portion for the employee only election remain at 90%, but to reduce the county's contribution for the other tiers from 90% to 88%.

Comm. Jordan stated that he believed that Rutherford County was the only county in the state whereby the county's contribution toward the employee insurance was at 90%.

Comm. Baum asked how much money it would save the county to reduce the county's contribution to 88%.

Mrs. Nolen advised that the total increase to the premium was being proposed at 20%, except for Option Three. If the total premium increased 20%, the employee would pay 12% and the county would pay 88%.

Comm. Shafer asked why the Insurance Committee did not look at also reducing the county's portion for the Employee Only Plan and reducing the other tiers to 85% instead of 88%.

Mrs. Stinson advised that since it was being recommended to increase the premium by 20%, it had to be decided what the market could bear, and how much they thought the premiums could be increased within a given year.

Mayor Burgess stated that he believed the sentiment of the Insurance Committee was that they did not want to reduce the benefits.

Comm. Jordan stated that the Insurance Committee decided some time ago to start working toward an 80%/20% split. He stated that there had been some discussion of reducing the county's portion by approximately 1% per year.

Comm. Sandlin asked if employee pay increases were being considered this year.

Mayor Burgess advised that employee pay increases were being considered. He stated that the normal step increases would cost approximately \$500,000.

Comm. Sandlin stated that he needed to see the employee's side, and see how the county might help the employees.

Comm. Jordan stated that a large part of the Insurance Committee was county employees. He stated that they were very aware of the impact, and that no one liked to have to increase health insurance premiums.

Comm. Jordan moved, seconded by Comm. Shafer to approve the recommendation of the Insurance Committee to increase the health insurance premium rates by 20% for active employees Option Two and retirees under 65 Option Two, to reduce the health insurance premium rate for Option Three by 15%, and to increase the premium rate for the over 65 retirees by 10%; the Co-Pay Plan premium would be set at 5% above the Option Two premium rate; the county's contribution toward the employee health insurance remain at 90% for the Employee Only election and that the county's contribution be reduced from 90% to 88% for the other tiers; and additionally, that the premium rates for the dental insurance be increased by 2% with the new dental buy-up option to be 10% above the 2012 Option One dental rates with all to be effective January 1, 2013.

The motion passed by roll call vote with Comm. Sandlin voting "no".

GENERAL FUND BUDGET AMENDMENTS

ARCHIVES:

The Finance Director requested approval of the following budget transfer for the Archives Department to provide additional funding to hire a seasonal person three weeks earlier to help staff the Archives Department as both graduate students would be leaving at the beginning of May to pursue their professional careers:

From: 101-51910-499 – Other Supplies & Materials -

\$1,295

To:	101-51910-169 – Part Time Personnel -	\$1,200
	101-51910-201 – Social Security -	75
	101-51910-212 – Employer Medicare -	20

The Finance Director also requested approval of the following budget amendment for the Archives Department to recognize grant proceeds in the amount of \$2,000 from the Tennessee State Library and Archives to be appropriated for Data Processing Equipment to purchase a laptop computer and a scanner. The commission previously approved a Resolution authorizing the grant application and authorizing the County Mayor to accept the grant subject to it being awarded:

Increase Revenue:	101-46190 – Other General Government Grant -	\$2,000
Increase Expend.:	101-51910-709 – Data Processing Equipment -	\$2,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer of \$1,295 from Account 101-51910-499, Other Supplies and Materials, with \$1,200 to Account 101-51910-169, Part Time Personnel; \$75 to Account 101-51910-201, Social Security; and \$20 to Account 101-51910-212, Employer Medicare, to provide additional funding to hire a seasonal person earlier than expected due to two graduate students leaving employment; increasing Revenue Account 101-46190, Other General Government Grant, by \$2,000 and increasing Expenditure Account 101-51910-709, Data Processing Equipment, by \$2,000 to utilize grant proceeds from the Tennessee State Library and Archives to purchase a laptop computer and a scanner.

The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

The Finance Director requested approval of the following budget amendment for General Sessions Court to utilize funds from the Restricted for Administration of Justice for Court Security to provide funding for surveillance cameras:

From:	101-34520 - - CTSEC – Restricted for Administration of Justice/ Court Security -	\$3,410
To:	101-53300-317 – Data Processing Services -	\$1,000
	101-53300-709 – Data Processing Equipment -	2,410

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for General Sessions Court amending \$3,410 from Account 101-34520 - - CTSEC, Restricted for Administration of Justice Court Security, with \$1,000 to Account 101-53300-317, Data Processing Services; and \$2,410 to Account 101-53300-709, Data Processing Equipment, to provide funding for surveillance cameras.

The motion passed unanimously by roll call vote.

CHANCERY COURT:

Mr. John Bratcher, Clerk & Master, requested approval of the following budget amendments advising that the County Attorney must publish notices when suits were filed regarding delinquent property taxes. He advised that Chancery Court was also collecting more money. The Legal Notices Account is overspent; however, Mr. Bratcher advised that the money would be collected when the property taxes were paid. He requested approval of the following budget amendment to provide additional funding for the Legal Notices Account, advising that it might be after the books were closed at June 30 before all of the money was collected:

From:	101-39000 – Unassigned Fund Balance -	\$24,950
To:	101-53400-332 – Legal Notices -	\$24,950

Mr. Bratcher also requested approval of the following budget transfer to provide additional funding for Data Processing Equipment to purchase an imaging system utilizing available funds in the Part Time Personnel Account and Data Processing Services:

From: 101-53400-169 – Part Time Personnel -	\$ 2,000
101-53400-317 – Data Processing Services -	3,300
To: 101-53400-709 – Data Processing Equipment -	\$ 5,300

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment and the budget transfers for Chancery Court as requested amending \$24,950 from Account 101-39000, Unassigned Fund Balance, to Account 101-53400-332, Legal Notices; transferring \$2,000 from Account 101-53400-169, Part Time Personnel; \$3,300 from Account 101-53400-317, Data Processing Services; with a total of \$5,300 to Account 101-53400-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

Mr. Joe Gourley, Emergency Management Department, requested approval of the following budget amendment to recognize the revenue to be received from the 2011 Homeland Security Grant and to appropriate the proceeds for related expenditures:

Increase Revenue:	101-47235 – Homeland Security -	\$305,454
Increase Expend.:	101-54430-790 – Other Equipment -	\$305,454

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment for the Emergency Management Department as requested recognizing the revenue and the related expenditures for the 2011 Homeland Security Grant increasing Revenue Account 101-47235, Homeland Security, by \$305,454 and increasing Expenditure Account 101-54430-790, Other Equipment, by \$305,454.

The motion passed unanimously by roll call vote.

Mr. Gourley advised that \$275,000 of the grant proceeds would be used to acquire a chemical, biological, radiological, nuclear threat armored vehicle. It will be under the direction of the F.A.S.T. at the Sheriff's Department. It will also be available for hazmat without threat to the responders. The remainder of the funds will be used primarily for decontamination equipment for Murfreesboro and Smyrna Fire Departments

STORM WATER:

Mr. Del Corbitt, County Engineer, requested approval of the following budget transfer to provide additional funding for summer interns to conduct stream sampling. Mr. Corbitt advised that the 11-12 budget included funding for the engineer over the program to receive an upgrade in salary upon passing the certification exam. The engineer took the test in October, and in December was notified that he passed the test. At the Public Works Committee, Mr. Corbitt requested to transfer \$3,000 from the Assistant's Account to Part Time Personnel; however he requested to revise the amount to \$1,950. He explained that the testing would still have to be done, but he probably would not work the interns the last week in June:

From: 101-57800-103 – Assistant -	\$1,950
To: 101-57800-169 – Part Time Personnel -	\$1,950

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget transfer for the Storm Water Department as requested transferring \$1,950 from Account 101-57800-103, Assistant, to Account 101-57800-169 – Part Time Personnel.

The motion passed unanimously by roll call vote.

GASOLINE & DIESEL FUEL AMENDMENTS (VARIOUS DEPARTMENTS):

The Finance Director requested approval of the following budget amendments to provide additional funding for gasoline and diesel fuel for several departments utilizing the Miscellaneous Gasoline pooled account to complete the fiscal year:

From:	101-58900-425 – Miscellaneous/Gasoline -	\$23,900
To:	101-51720-425 – Planning/Gasoline -	\$ 500
	101-51800-425 – Maintenance/Gasoline -	5,500
	101-52600-425 – OIT/Gasoline -	700
	101-54240-425 – Juvenile Detention/Gasoline -	200
	101-54320-412 – Fire & Rescue/Diesel Fuel -	6,000
	101-54320-425 – Fire & Rescue/Gasoline -	2,000
	101-54510-425 – Building Codes/Gasoline -	4,000
	101-55120-425 – PAWS/Gasoline -	5,000
From:	101-52300-425 – Property Assessor/Gasoline -	\$ 6,500
To:	101-52310-425 – Reappraisal/Gasoline -	\$ 6,500

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment to adjust the gasoline and diesel fuel accounts for several departments with \$23,900 from Account 101-58900-425, Miscellaneous Gasoline, with \$500 to Account 101-51720-425, Planning Gasoline; \$5,500 to Account 101-51800-425, Maintenance Gasoline, \$700 to Account 101-52600-425, OIT Gasoline, \$200 to Account 101-54240-425, Juvenile Detention Gasoline, \$6,000 to Account 101-54320-412, Fire & Rescue Diesel Fuel, \$2,000 to Account 101-54320-425, Fire & Rescue Gasoline, \$4,000 to Account 101-54510-425, Building Codes Gasoline; \$5,000 to Account 101-55120-425, PAWS Gasoline; to amend \$6,500 from Account 101-52300-425, Property Assessor Gasoline, to Account 101-52310-425, Reappraisal Gasoline.

The motion passed by roll call vote with Comm. Shafer being out of the room at the time.

SHERIFF'S DEPARTMENT/JAIL:

Sheriff Robert Arnold and Chief Deputy Joe Russell were present to request approval of the following budget amendments to recognize revenue from donations to be used for Other Contracted Services and Other Supplies and Materials; to recognize revenue from the Sale of Supplies and Materials to be used for the Sheriff Department's Other Contracted Services and Office Supplies and the Detention's Office Supplies; to recognize revenue from Contributions from Government Agencies for the Cold Case Conference to be appropriated for the Sheriff Department's In-Service Training; to recognize revenue from the Sale of Recycled Materials to be appropriated for the Detention Maintenance & Repair of the Building, the Sheriff Department's Law Enforcement Equipment, and Detention's Food Preparation Supplies; to transfer from the Sheriff Department's Overtime Pay and related benefits to the Sex Offender Registry Overtime Pay and related benefits:

Increase Revenue:	101-44570 – Contributions/Gifts -	\$5,097
Increase Expend.:	101-54110-399 – Other Contracted Services -	\$4,392
	101-54110-499 – Other Supplies & Materials -	705
Increase Revenue:	101-44130 – Sale of Supplies & Materials -	\$3,331
Increase Expend.:	101-54110-399 – Other Contracted Services -	\$1,705
	101-54110-435 – Sheriff/Office Supplies -	1,407
	101-54210-435 – Jail/Office Supplies -	219

Increase Revenue:	101-48130 – Contributions -	\$2,125
Increase Expend.:	101-54110-196 – Sheriff/In-Service Training -	\$2,125
Increase Revenue:	101-44145 – Sale of Recycled Materials -	\$5,549
Increase Expend.:	101-54210-335 – Jail/Maint. & Repair Bldg. -	\$2,390
	101-54110-716 – Sheriff/Law Enforcement Equip. -	3,037
	101-54210-421 – Jail/Food Preparation Supplies -	122
From:	101-54110-187 – Sheriff/Overtime Pay -	\$2,500
	101-54110-201 – Sheriff/Social Security -	155
	101-54110-212 – Sheriff/Medicare -	36
	101-54110-204 – Sheriff/Retirement -	316
To:	101-54160-187 – Sex Offender Registry/Overtime Pay -	\$2,500
	101-54160-201 – Sex Offender Registry/Social Security -	155
	101-54160-212 – Sex Offender Registry/Medicare -	36
	101-54160-204 – Sex Offender Registry/Retirement -	316

Comm. Shafer moved, seconded by Comm. Peay to approve the budget amendments for the Sheriff's Department and Jail as requested increasing Revenue Account 101-44570, Contributions & Gifts, by \$5,097 and increasing Expenditure Accounts 101-54110-399, Sheriff's Department Other Contracted Services, by \$4,392 and 101-54110-499, Sheriff's Department Other Supplies and Materials by \$705; increasing Revenue Account 101-44130, Sale of Supplies and Materials, by \$3,331 and increasing Expenditure Accounts 101-54110-399, Sheriff's Department Other Contracted Services, by \$1,705, 101-54110-435, Sheriff's Department Office Supplies, by \$1,407, and 101-54210-435, Jail Office Supplies, by \$219; increasing Revenue Account 101-48130, Contributions, by \$2,125 and increasing Expenditure Account 101-54110-196, Sheriff's Department In-Service Training, by \$2,125; increasing Revenue Account 101-44145, Sale of Recycled Materials, by \$5,549 and increasing Expenditure Accounts 101-54210-336, Jail Maintenance and Repair of Building, by \$2,390, 101-54110-716, Sheriff's Department Law Enforcement Equipment, by \$3,037, and 101-54210-421, Jail Food Preparation Supplies, by \$122; amending \$2,500 from Account 101-54110-187, Sheriff's Department Overtime Pay, \$155 from Account 101-54110-201, Sheriff's Department Social Security, \$36 from Account 101-54110-212, Sheriff's Department Medicare, and \$316 from Account 101-54110-204, Sheriff's Department State Retirement; with \$2,500 to Account 101-54160-187, Sex Offender Registry Overtime Pay, \$155 to Account 101-54160-201, Sex Offender Registry Social Security, \$36 to Account 101-54160-212, Sex Offender Registry Medicare, and \$316 to Account 101-54160-204, Sex Offender Registry Retirement.

Comm. Baum stated that several of the amendments involve increased revenue. He asked if the increased revenue could go toward the gasoline and food for the inmates.

Mr. Russell explained that the different divisions at the Sheriff's Department have received the donations, and the donations have been given for a specific purpose.

Comm. Baum stated that it would make sense that contributions and gifts would be given for a specific, but it appeared that sale of recycled materials would be less restricted. He asked if Mr. Russell's response applied to sale of supplies and materials and sale of recycled materials.

Sheriff Arnold stated that it was being requested that some of the revenue go back into the building maintenance, and he advised that there was more building maintenance that needed to be done.

Mr. Russell also stated that the revenue received from the sale of the recycled brass went toward the firing range.

Sheriff Arnold stated that the City of Murfreesboro gave their recycled brass to the Sheriff's Department to go back toward the firing range.

Comm. Baum stated that he would like to use the sale of supplies and materials and the sale of recycled materials for gasoline.

Comm. Baum moved to amend the motion, seconded by Comm. Peay to divert the increased revenue from Revenue Accounts 101-44130, Sale of Supplies and Materials at \$3,331 and 101-44145, Sale of Recycled Materials, at \$5,549 to Expenditure Account 101-54110-425, Sheriff Department Gasoline, for a total of \$8,880.

Mr. Russell advised that the \$3,331 received from the Sale of Supplies and Materials was for the sale of the bricks and challenge coins. He stated that was part of the 911 Memorial.

Comm. Baum agreed to adjust the amount of the amendment to only include Account 101-44145, Sale of Recycled Materials at \$5,549. Comm. Peay agreed to the adjusted amount as he seconded the amendment to the motion.

Sheriff Arnold advised that the \$5,549 included the sale of recycled brass that was used for the firing range. He stated that there would be no incentive to continue recycling the brass if it could not be used for what it was intended. He stated that it would force the Sheriff's Department to request additional funds for these line items from the Unassigned Fund Balance.

Following discussion the amendment to the motion to increase Revenue Account 101-44145, Sale of Recycled Materials, by \$5,549 and increase Expenditure Account 101-54110-425, Sheriff's Department Gasoline, by \$5,549 failed by roll call vote with Commissioners Baum and Peay voting "yes", and Commissioners Jernigan, Jordan, Sandlin, Shafer, and Ealy voting "no".

The original motion to approve the budget amendments for the Sheriff's Department and Jail as requested increasing Revenue Account 101-44570, Contributions & Gifts, by \$5,097 and increasing Expenditure Accounts 101-54110-399, Sheriff's Department Other Contracted Services, by \$4,392 and 101-54110-499, Sheriff's Department Other Supplies and Materials by \$705; increasing Revenue Account 101-44130, Sale of Supplies and Materials, by \$3,331 and increasing Expenditure Accounts 101-54110-399, Sheriff's Department Other Contracted Services, by \$1,705, 101-54110-435, Sheriff's Department Office Supplies, by \$1,407, and 101-54210-435, Jail Office Supplies, by \$219; increasing Revenue Account 101-48130, Contributions, by \$2,125 and increasing Expenditure Account 101-54110-196, Sheriff's Department In-Service Training, by \$2,125; increasing Revenue Account 101-44145, Sale of Recycled Materials, by \$5,549 and increasing Expenditure Accounts 101-54210-336, Jail Maintenance and Repair of Building, by \$2,390, 101-54110-716, Sheriff's Department Law Enforcement Equipment, by \$3,037, and 101-54210-421, Jail Food Preparation Supplies, by \$122; amending \$2,500 from Account 101-54110-187, Sheriff's Department Overtime Pay, \$155 from Account 101-54110-201, Sheriff's Department Social Security, \$36 from Account 101-54110-212, Sheriff's Department Medicare, and \$316 from Account 101-54110-204, Sheriff's Department State Retirement; with \$2,500 to Account 101-54160-187, Sex Offender Registry Overtime Pay, \$155 to Account 101-54160-201, Sex Offender Registry Social Security, \$36 to Account 101-54160-212, Sex Offender Registry Medicare, and \$316 to Account 101-54160-204, Sex Offender Registry Retirement passed unanimously by roll call vote.

Mr. Russell next requested approval of the following budget amendments to request \$150,000 from the Unassigned Fund Balance to be appropriated for gasoline, to request \$200,000 from the Unassigned Fund Balance to be appropriated for inmate food, to transfer \$10,000 within the Detention budget for prisoner transport, to transfer \$20,000 within the Sheriff's budget to be used for vehicle parts, to transfer \$55,000 from various line items in the Sheriff's budget and the Jail budget for communications, and to transfer \$10,000 within the Jail budget for Maintenance and Repair of the Building:

From: 101-39000 – Unassigned Fund Balance -	\$150,000
To: 101-54110-425 – Sheriff's Dept./Gasoline -	\$150,000
From: 101-39000 – Unassigned Fund Balance -	\$200,000
To: 101-54210-422 – Jail/Food Supplies -	\$200,000

From: 101-54210-399 – Jail/Other Contracted Services - \$ 10,000
 To: 101-54210-354 – Jail/Transportation Other than Students - \$ 10,000

From: 101-54110-338 – Sheriff's Dept./Maint. & Repair Vehicles - \$20,000
 To: 101-54110-453 – Sheriff's Dept./Vehicle Parts - \$20,000

From: 101-54110-196 – Sheriff's Dept./In-Service Training - \$ 5,000
 101-54110-317 – Data Processing Services - 20,000
 101-54210-399 – Jail/Other Contracted Services - 5,000
 101-54110-336 – Sheriff's Dept./Maint. & Repair Equip. - 10,000
 101-54210-334 – Jail/Maintenance Agreements - 2,000
 101-54210-210 – Jail/Unemployment Compensation - 2,000
 101-54110-320 – Sheriff's Dept./Dues & Memberships - 1,000
 101-54110-334 – Sheriff's Dept./Maintenance Agreements - 2,000
 101-54110-437 – Sheriff's Dept./Periodicals - 2,000
 101-54110-399 – Sheriff's Dept./Other Contracted Services - 1,000
 101-54110-194 – Sheriff's Dept./Jury Expense - 5,000

To: 101-54110-307 – Sheriff's Dept./Communications - \$ 55,000

From: 101-54210-717 – Jail/Maintenance Equipment - \$ 10,000
 To: 101-54210-335 – Jail/Maint. & Repair Buildings - 10,000

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendments for the Sheriff's Department as requested with \$150,000 from Account 101-39000, Unassigned Fund Balance to Account 101-54110-425, Sheriff's Department Gasoline; \$200,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-54210-422, Jail Food Supplies; \$10,000 from Account 101-54210-399, Jail Other Contracted Services, to Account 101-54210-354, Jail Transportation Other Than Students; \$20,000 from Account 101-54110-338, Sheriff's Department Maintenance & Repair Vehicles, to Account 101-54110-453, Sheriff's Department Vehicle Parts; \$5,000 from Account 101-54110-196, Sheriff's Department In-Service Training, \$20,000 from Account 101-54110-317, Sheriff's Department Data Processing Services, \$5,000 from Account 101-54210-399, Jail Other Contracted Services, \$10,000 from Account 101-54110-336, Sheriff's Department Maintenance and Repair Equipment, \$2,000 from Account 101-54210-334, Jail Maintenance Agreements, \$2,000 from Account 101-54210-210, Unemployment Compensation, \$1,000 from Account 101-54110-320, Sheriff's Department Dues and Memberships, \$2,000 from Account 101-54110-334, Sheriff's Department Maintenance Agreements, \$2,000 from Account 101-54110-437, Sheriff's Department Periodicals, \$1,000 from Account 101-54110-399, Sheriff's Department Other Contracted Services, \$5,000 from Account 101-54110-194, Sheriff's Department Jury Expense, with a total of \$55,000 to Account 101-54110-307, Sheriff's Department Communications; and \$10,000 from Account 101-54210-717, Jail Maintenance Equipment, to Account 101-54210-335, Jail Maintenance and Repair Building.

Comm. Baum stated that the Budget Committee was trying to watch the Unassigned Fund Balance, because it was going to play a role in whether or not property taxes would need to be increased. He stated that the committee would probably have a better sense about that decision in May. He stated that he would prefer to use the Unassigned Fund Balance as a last resort. He asked if it would be possible to find all of the funding needed for gasoline and inmate food within the Sheriff Department's budget.

Sheriff Arnold stated that much money was not in the budget, unless it was pulled from salaries.

Mr. Russell stated that after the amendments for the \$55,000 were done, it might cause him to be short in some of those line items. He stated that he might have to come back and request amendments for some of those line items.

Following discussion, the motion to approve the budget amendments for the Sheriff's Department as requested with \$150,000 from Account 101-39000, Unassigned Fund Balance to

Account 101-54110-425, Sheriff's Department Gasoline; \$200,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-54210-422, Jail Food Supplies; \$10,000 from Account 101-54210-399, Jail Other Contracted Services, to Account 101-54210-354, Jail Transportation Other Than Students; \$20,000 from Account 101-54110-338, Sheriff's Department Maintenance & Repair Vehicles, to Account 101-54110-453, Sheriff's Department Vehicle Parts; \$5,000 from Account 101-54110-196, Sheriff's Department In-Service Training, \$20,000 from Account 101-54110-317, Sheriff's Department Data Processing Services, \$5,000 from Account 101-54210-399, Jail Other Contracted Services, \$10,000 from Account 101-54110-336, Sheriff's Department Maintenance and Repair Equipment, \$2,000 from Account 101-54210-334, Jail Maintenance Agreements, \$2,000 from Account 101-54210-210, Unemployment Compensation, \$1,000 from Account 101-54110-320, Sheriff's Department Dues and Memberships, \$2,000 from Account 101-54110-334, Sheriff's Department Maintenance Agreements, \$2,000 from Account 101-54110-437, Sheriff's Department Periodicals, \$1,000 from Account 101-54110-399, Sheriff's Department Other Contracted Services, \$5,000 from Account 101-54110-194, Sheriff's Department Jury Expense, with a total of \$55,000 to Account 101-54110-307, Sheriff's Department Communications; and \$10,000 from Account 101-54210-717, Jail Maintenance Equipment, to Account 101-54210-335, Jail Maintenance and Repair Building passed by roll call vote with Comm. Shafer voting "no".

DRUG CONTROL FUND BUDGET AMENDMENT:

Mr. Russell next requested approval of the following Drug Control Fund budget amendment to transfer \$6,000 within the Narcotic's budget to provide funding for several investigative schools in May and June:

From: 122-54150-718 – Motor Vehicles -	\$6,000
To: 122-54150-196 – In-Service Training -	\$6,000

Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendment for the Drug Control Fund as requested transferring \$6,000 from Account 122-54150-718, Motor Vehicles, to Account 122-54150-196, In-Service Training.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE (DEA) FUND BUDGET AMENDMENT:

Mr. Russell requested approval of the following Special Purpose (DEA) Fund budget amendment to recognize revenue received for asset forfeitures and to appropriate the revenue for in-service training:

Increase Revenue:	121-47700 – Asset Forfeiture Funds -	\$16,284
Increase Expend.:	121-54110-196 – In-Service Training -	\$16,284

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the Special Purpose (DEA) Fund budget amendment as requested increasing Revenue Account 121-47700, Asset Forfeiture Funds, by \$16,284 and increasing Expenditure Account 121-54110-196, In-Service Training, by \$16,284.

The motion passed unanimously by roll call vote.

RECOMMENDATION REGARDING PAY GRADE CHANGES FOR EMPLOYEES AT THE SHERIFF'S DEPARTMENT:

Chairman Ealy advised that the Public Safety Committee had forwarded two motions to the Budget Committee regarding pay grade changes for three employees at the Sheriff's Department.

The first motion from the Public Safety Committee stated "Commissioner J. Phillips moved, seconded by Commissioner Shafer to approve the change to Pay Grade 7, Step 1 for Position

#1445, TAC Officer, and forward the same to the Budget Committee. This motion passed by roll call vote with Commissioner Pay voting “no”.

The second motion forwarded by the Public Safety Committee stated “Commissioner Young moved, seconded by Commissioner Gooch, to approve the promotions for Position #2000, Inventory & Warehouse Control from Corporal Pay Grade 6 at \$29,850 to Sergeant Pay Grade 7 at \$39,060; and increase Position #1427C, Civil Warrants Officer, from Corporal Pay Grade 6 at \$47,760 to Sergeant Pay Grade 7 at \$51,680 all effective in the current budget and forward the same to the Budget Committee. This motion passed by roll call vote with Commissioners Gooch, J. Phillips, T. Phillips, Young and Farley voting “yes”, and Commissioners Peay and Shafer voting “no”.

Mr. Russell stated that he wanted to make the Budget Committee aware, and the Public Safety Committee minutes reflected that the Correctional Work Center has a TAC Officer at a Pay Grade 7.

Comm. Peay asked if the employee currently serving as the TAC Officer took the place of someone who had left employment a couple of years ago, and if so, what the pay grade was of the person who had left.

Mr. Russell stated that the previous TAC Officer was paid the same amount.

Sheriff Arnold stated that before he became Sheriff, the previous TAC Officer, who was a sergeant, left employment. A corporal was promoted to sergeant, but the new sergeant did not perform the duties of the TAC Officer. The duties of the TAC Officer are now being performed by the employee in Position 1445.

Mayor Burgess asked when this was discovered.

Sheriff Arnold stated that it was discovered in January when the TBI offered the employee a job for a substantial pay increase. He stated that the TBI wanted the employee to teach other TAC Officers in the state, because she is very proficient in her job.

Mayor Burgess stated that these were the types of things that needed to be known about when the budget was prepared.

Comm. Peay stated that there was only two more months in this fiscal year, and he did not agree with changing the pay grades now. He stated that he agreed that the individual deserved to be paid for the job that they were doing.

Comm. Jernigan stated that the employee was going to leave.

Comm. Shafer stated that the request for the TAC Officer was different than the other two requests.

Sheriff Arnold stated that because of the way the budget was prepared this year, he was required to request approval of the pay grade changes from the committees.

Mayor Burgess stated that a Letter of Agreement had been prepared according to Sheriff Handbook standards that listed the number of positions funded in this year’s budget. He stated that a certain number of sergeant positions were approved, and if all of the sergeant positions were filled, the TAC Officer could not be moved into a sergeant position, because no sergeant positions were available. He stated if there was a vacant sergeant position, Sheriff Arnold could promote the TAC Officer to a sergeant without asking permission.

Sheriff Arnold stated that he could move the position to a vacant sergeant position in Narcotics, but he did not want to do that because the Drug Fund balance was low.

Comm. Jordan asked if the motion from Public Safety was retroactive, or if the pay increase would start from this point forward.

Sheriff Arnold stated that it would begin when it was approved by the County Commission. He stated that he had already given the promotion.

Comm. Jordan asked Sheriff Arnold if the pay grade change was not approved if he thought he would lose the employee.

Sheriff Arnold stated that he did not believe he would lose the employee. He stated that she was very happy with the county, but she had been offered something else. He stated that Mrs. Stephenson agreed that the TAC Officer at the Sheriff's Department should be the same pay grade as the TAC Officer at the Correctional Work Center.

The Finance Director stated that the salaries of the three employees in question were currently budgeted in line item 189, Other Salaries & Wages. She stated that in looking at the sergeants' account, it appeared that there should be approximately \$22,000 available. She stated if the request was approved, it would probably require a budget amendment to move funds from line item 101-54110-189, Other Salaries & Wages, to Account 101-54110-115, Sergeants.

Mr. Russell stated that he did not believe it would take a budget amendment. He stated that he believed it would only be approximately \$6,000 to \$8,000 in additional funds.

Mayor Burgess stated that it would have to be more than \$6,000 for three people for three months.

Comm. Baum asked if the committee historically adjusted salaries one month before the May budgeting process began.

The Finance Director stated that typically did not happen.

Sheriff Arnold stated that the employees were doing the job that other employees were being paid for. He stated that it was the right thing to do.

Comm. Jernigan made a motion to approve the recommendation of the Public Safety Committee to approve the change to Pay Grade 7, Step 1 for Position #1445, TAC Officer and to approve the promotions for Position #2000, Inventory & Warehouse Control from Corporal Pay Grade 6 at \$29,850 to Sergeant Pay Grade 7 at \$39,060 and increase employee Position #1427C, Civil Warrants Officer, from Corporal Pay Grade 6 at \$47,760 to Sergeant Pay Grade 7 at \$51,680 all effective in the current budget. The motion died for the lack of a second.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the change to Pay Grade 7, Step 1 for Position #1445, TAC Officer and to defer the request for Position #2000 and Position #1427C until the 2012-13 budget process.

Comm. Shafer stated that the TAC Officer had been doing the job for a long time, there was security involved. He stated that not classifying the job properly had been an oversight. He stated that the same position at the Correctional Work Center was a Pay Grade 7, and it should be the same at the Sheriff's Department.

Following discussion, the motion to approve the change to Pay Grade 7, Step 1 for Position #1445, TAC Officer, and to defer the request for Position #2000 and Position #1427C until the 2012-13 budget process failed by roll call vote with Commissioners Jernigan, Shafer, and Ealy voting "yes", Commissioners Baum, Jordan, and Peay voting "no", and Comm. Sandlin being absent.

REQUEST TO SUBMIT GOVERNOR'S HIGHWAY SAFETY GRANT APPLICATION:

Sheriff Arnold advised that he was requesting to submit a Governor's Highway Safety Grant Application. He advised that he had called Chairman Farley and requested to make the request directly to the Budget Committee. No matching funds are required. He stated that it would be the same grant as last year.

Comm. Jordan moved, seconded by Comm. Peay to authorize the County Mayor and any other required officers of Rutherford County to submit a grant application to the Governor's Highway Safety Office, which requires no matching funds, for the Sheriff's Department.

The motion passed unanimously by acclamation.

Mayor Burgess advised the committee that the commission had previously authorized a grant application for an Energy Grant to be used to purchase a heat recovery unit for the Adult Detention Center to supply hot water. Mayor Burgess advised that the application process was more difficult than anticipated, and the application deadline was March 30. He stated that the county was unable to make the application, and that the county would apply again next year.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Jeff Sandvig requested approval of a budget amendment reallocating \$46,960 in already budgeted classified staff pay and \$4,194 in related benefits. No new positions or funding was being added. The \$18,500 change between line items 141-71200-163 and 141-73400-163 corrects coding for a preschool education assistant. The other changes related to the actual staff now in place as opposed to who was in place when the budget was prepared.

Mr. Sandvig also requested approval of a budget amendment reallocating \$174,710 in already budgeted certified staff pay and \$9,231 in related benefits. No new positions or funding was added. The change in line item 141-72320-101 covered Mr. Gill's vacation payout and the overlapping two week period that the new director will possibly be on staff, as mentioned by the Board. The other changes are related to the actual staff now in place as opposed to who was in place when the budget was prepared.

Comm. Jordan moved, seconded by Comm. Baum to approve the General Purpose School Fund budget amendments as requested amending \$46,960 in already budgeted classified staff pay and \$4,194 in related benefits; and amending \$174,710 in already budgeted certified staff pay and \$9,231 in related benefits.

The motion passed by roll call vote with Commissioners Sandlin and Shafer being absent.

RESOLUTION TO REQUEST UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO STATE TREASURER UNDER UNCLAIMED PROPERTY ACT:

Chairman Ealy presented a Resolution to request unclaimed balance of accounts remitted to State Treasurer under the Unclaimed Property Act. She reminded the committee that this Resolution was presented annually.

The Finance Director advised that the county submitted unclaimed property to the state annually, and the Resolution authorized the return to the county any unclaimed balances that the state had not paid out through claims.

Comm. Peay moved, seconded by Comm. Jernigan to approve the Resolution and forward the same to the County Commission to request unclaimed balance of accounts remitted to the State Treasurer under the Unclaimed Property Act.

The motion passed unanimously by acclamation with Commissioners Sandlin and Shafer being absent.

GRANT CONTRACT WITH TENNESSEE DEPARTMENT OF ENVIRONMENT & CONSERVATION FOR COLLECTING AND PROPER RECYCLING OF WASTE TIRES:

Chairman Ealy presented a two-year Grant Contract with the Tennessee Department of Environment and Conservation for collecting and proper recycling of waste tires in the total amount of \$466,000 or \$233,000 per year.

Mayor Burgess advised that previously the grant had been for a longer period of time. He stated that the grant amount was more, but the county was collecting more tires than it was being reimbursed for. He stated that the county would have to start accounting for tires that were collected at the convenience centers. He explained that the State would reimburse the county one dollar per tire regardless of the size of the tire. When tires are sent to be recycled, the county is charged by the ton. He stated that it would be a net loss for the county, but it was the only process the county had for collecting tires and being reimbursed by the state.

Comm. Peay moved, seconded by Comm. Jernigan to authorize the County Mayor to execute the two-year Grant Contract with the Tennessee Department of Environment and Conservation for collecting and proper recycling of waste tires for a total amount of \$466,000 or \$233,000 per year for the period of July 1, 2012 and ending on June 30, 2014.

The motion passed by roll call vote with Commissioners Sandlin and Shafer being absent.

FINANCIAL SERVICES AGREEMENT WITH SKYLIGHT FINANCIAL FOR PAY CARDS:

The Finance Director presented a proposed Services Agreement with Skylight Financial, Inc. She advised that the agreement had not been finalized, but hoped to have it finalized by the County Commission meeting. She reminded the committee that previously a Direct Deposit Policy was approved requiring that all employees pay be made by direct deposit. In the event that there were employees who did not want their pay to be direct deposited to a bank account, a pay card was being offered as an option. The pay card would be administered through Skylight Financial.

Mrs. Nolen advised that the County Attorney had reviewed the contract, and she had sent the changes to Skylight Financial. She advised that she was waiting on their response. If Skylight Financial agrees to the changes, the contract should be available to be presented to the County Commission on April 12.

Following discussion, Comm. Jordan moved, seconded by Comm. Baum to authorize the County Mayor to execute the Services Agreement with Skylight Financial, Inc. for the Administration of Pay Cards as an option for county employees to receive their pay contingent upon the final review and approval of the County Attorney and Skylight Financial, Inc.'s agreement to the changes to the contract.

The motion passed unanimously by acclamation with Commissioners Sandlin and Shafer being absent.

RESOLUTION AMENDING FUND BALANCE POLICY:

The Finance Director requested approval of a proposed amendment to the Fund Balance Policy. She reviewed the components of the fund balance. She explained that every year the county had purchase orders that had been issued, but the products might have not been received by June 30. She explained that at the State Comptroller's Office some believed the outstanding purchase orders were committed and some believed the purchase orders were assigned. Mrs. Nolen stated that it was her opinion that when a purchase order was issued, the county had committed those funds for the purpose stated on the purchase order. She stated that when the books were closed last fiscal year, the county treated the outstanding purchase orders as committed fund balance.

Upon the suggestion of the auditors, the Finance Director requested that the Fund Balance Policy be amended stating that balances left on current year purchase orders be considered as commitments of the government.

If in the next fiscal year, the purchase orders are not used, the funds would go back into the Unassigned Fund Balance.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve the amendment to the fund Balance Policy as proposed that balances left on current year purchase orders be considered as commitments of the government and forward the same to the County Commission.

The motion passed unanimously by acclamation with Commissioners Sandlin and Shafer being absent.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:41 P.M.

Elaine Short, Secretary